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Rational Choice Institutionalism*

**Kenneth A. Shepsle
Harvard University
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“An irrational passion for dispassionate rationality will take all the joy out of life,” wrote the economist John Maurice Clark a century ago. Canonical rational choice theory has been a staple in political science for four decades. While it may have taken the joy out of life for many traditionalists in the field and a behavioralist or two, it has become an engine of social scientific research, producing theoretical micro-foundations, an equilibrium orientation, deductively derived theorems and propositions about political activity, a comparative statics methodology yielding testable hypotheses, and an accumulation of tools and approaches that are routinely found in the curriculum of major graduate programs. We think more sophisticatedly today about optimizing political actors, the organizations of which they are a part, and most recently the role of information in retrospective assessment, systematic foresight, and strategic calculation more generally – that is, we think more sophisticatedly about political purposes, beliefs, opinions, and behavior. We also have more nuanced views about the contexts in which political activity unfolds, the way these contexts channel behavior, and the way behavior, in turn, maintains or alters contexts. These contexts are inhabited by political actors and organizations to be sure, but it is the institutions that arise and persist there that provide scripts for political processes. These institutional arrangements and the patterns and regularities they produce are the subject of the present chapter.

This chapter is loosely organized into several themes. The first deals with defining the terrain, in particular reviewing the several theoretical ways in which institutions are interpreted by rational choice theorists. The second theme surveys the progress we have made in understanding

what I call structured and unstructured institutions. The third theme looks briefly at limitations of rational choice institutionalism, and at the ways in which some of the bright lines that formerly distinguished this flavor of institutionalism from the many others (see Hall and Taylor 1996) are becoming less discernible.¹

1. Interpretations of Institutions

Within the rational choice tradition there are two now-standard ways to think about institutions.² The first takes institutions as *exogenous constraints*, or as an exogenously given *game form*. The economic historian Douglass North, for example, thinks of them as “the rules of the game in a society or, more formally,...the humanly devised constraints that shape human interaction” (North 1990, 3). An institution is a script that names the *actors*, their respective *behavioral repertoires* (or *strategies*), the *sequence* in which the actors choose from them, the *information* they possess when they make their selections, and the *outcome* resulting from the combination of actor choices. Once we add actor *evaluations* of outcomes to this mix – actor *preferences* – we transform the game form into a game.

To give an ancient example of a game form from Downs (1957), the actors are n voters and two candidates. The candidates each select a policy position represented by a point on the unit interval, $[0,1]$. They either do this simultaneously, or choose in a particular sequence but the candidate choosing second does not know the first candidate’s choice in advance of his own choice. (While candidates do not know the choices of other candidates, they do know voter preferences as defined below). Voters then vote for one candidate, the other candidate, or abstain. The candidate with the most votes is elected. If each candidate obtains the same number of votes (including none if all voters abstain), then a random device determines which of them is elected. This is a game form, an exogenously provided script that gives the various ways the strategic interaction can develop. If (i) candidates prefer winning to tying to losing, and (ii) each voter i has single-peaked preferences on $[0,1]$ symmetric about his or her most preferred policy,

then we have characterized actor preferences and now have a game. The well-known Median Voter Theorem applies: the candidate who locates closest to the most-preferred policy of the median voter wins the election. In game-theoretic language, the Nash equilibrium of this game is for both candidates to locate at the median ideal point and one of them to be randomly chosen as the winner.^{3,4} Shepsle (1979) called this a *structure-induced equilibrium* of the institutional game.

The second interpretation of institutions is deeper and subtler. It does *not* take institutions as given exogenously. Instead of external provision, the rules of the game in this view are provided by the players themselves; they are simply the ways in which the players want to play. A group of children, for example, might take the official rules of baseball as a starting point to govern their interactions, but then adapt them to specific circumstances or tastes. A ball rolling into the creek that borders the field, as I recall from my childhood, allows the baserunner to advance only one additional base. On any particular day, however, the kid who brought the bat and ball might insist on a variation to that rule more to his liking – say, a ball in the creek is an automatic home run – and be in a position to induce the others to accept his preference. In this view of institutions, there is nothing exogenous about the rules of the game, and certainly nothing magical. They do not compel observance, but rather reflect the willingness of (nearly) everyone to engage with one another according to particular patterns and procedures (nearly all the time). The institutional arrangements are, in this view, *focal* (Schelling 1960) and may induce coordination around them. Calvert (1995, 73-74), one of the intellectual architects of this perspective (see also Schotter 1981), puts it well:

...[T]here is, strictly speaking, no separate animal that we can identify as an institution. There is only rational behavior, conditioned on expectations about the behavior and reactions of others. When these expectations about others' behavior take on a particularly clear and concrete form across individuals, when they apply to

situations that recur over a long period of time, and especially when they involve highly variegated and specific expectations about the different roles of different actors in determining what actions others should take, we often collect these expectations and strategies under the heading *institution*...

Institutions are simply equilibrium ways of doing things. If a decisive player wants to play according to different rules – like the kid who threatens to take his bat and ball home if the rules are not adjusted to his liking – then the rules are not in equilibrium and the “institution” is fragile.

We come to think of institutions (in the ordinary language sense) as scripts that constrain behavior – the first interpretation above – because in many political contexts “highly variegated and specific expectations about the different roles of different actors” are involved, and decisive individuals or coalitions are not prepared to change the way business is conducted. Calvert’s point, however, is that this does not mean decisive actors are *never* inclined to push for change. Early in the last decade, for example, a newly elected Labour government in Great Britain, to the surprise of many, transformed the Bank of England from one of the most dependent central banks in the developed world into a much more independent agency. A revision of the Rules of the U.S. Senate – particularly Rule 22 to make it easier to end filibusters – has been contemplated on many occasions (Binder and Smith, 1996). Twice in the last century there were major changes in the rules to make cloture first possible, and then easier. The Republican majority in the U.S. Senate of the 109th Congress (2005-07) has raised this issue again in the context of the confirmation of judges and justices.⁵

There is a third interpretation of institutions (indeed, there are many others) that is decidedly *not* rational choice in nature; it bears describing briefly in order to contrast it with the two interpretations just given. I associate it with Sait (1938) and his legacy in various forms is found in the work of modern historical institutionalists. For Sait, institutions *are* magical. He describes them with the wide-eyed wonderment of someone examining a coral reef for the first

time.⁶ They just form, and re-form, according to complex, essentially unknowable forces. Law, slavery, feudalism, language, property rights – these are the “edifices” Sait considers institutions. His emphasis differs from that of the institutions-as-constraint and institutions-as-equilibrium schools of thought described above. Institutions for him are macro-sociological practices defined, and altered, by historical contingency. There is micro-analysis neither of the patterns of behavior they induce and sustain nor of the human attempts to alter institutional properties. There is for him no architect of Roman Law, for example. An institution is an accretion, changing ever so slowly and never by identifiable human agency. Perhaps we need a different name for one of these.

2. Structured and Unstructured Institutions

I think of institutions that are robust over time, and lend themselves to comparisons across settings, as *structured*. They persist in roughly the same form from year to year, and their similarities to and differences from objects sharing their label in other places also persist.⁷ Thus, the U.S. Congress, or the New York Assembly, or the Irish Dail are structured in this sense. So, too, is a parliamentary cabinet, a judicial court, an administrative bureau, a regulatory agency, a central bank, an electoral regime, even a political party, a royal court, or an army. Rational choice institutionalism has explored many of these. There is surely variation among the myriad instances of any one of these structured institutions; but there are also powerful central tendencies. This is what induces us to group them together and to think it sensible to compare them.

Other institutions are less structured. Like structured institutions, they may be described as practices and recognized by the patterns they induce, but they are more amorphous and implicit rather than formalized. Norms, coordination activity, cooperative arrangements, and collective action are instances of what I have in mind.

Senatorial courtesy, for example, is a norm of the U.S. Senate effectively giving a senator a veto on judicial appointments in his or her state (Binder and Maltzman, 2005; Jacobi 2005). *Seniority* was a norm of both chambers of the U.S. Congress for most of the 20th century, establishing queues or ladders in congressional committees on which basis privileged positions – committee and subcommittee chairs, the order of speaking and questioning in hearings, access to staff, etc. – were assigned.⁸ Neither of these norms is a formal rule of the institutions.

Various forms of patterned informal interaction, including coordinated agreements like which side of the road to travel, sharing rules like “split the difference,” and understandings like “tit for tat” (Axelrod 1984) and “taking turns” (Ward 1998), also constitute unstructured institutions. These patterns emerge informally and often are not actually written down as formal rules; they simply come to be known as “the way things are done around here.” They are, in short, equilibrium patterns.

Collective action – the capacity of a group of individuals to coordinate for mutual advantage – sits close to the boundary between structured and unstructured institutions. Sometimes it takes the form of well-organized and formalized arrangements; other times it looks spontaneous and idiosyncratic. Interest-group political organizations described by Olson (1965) constitute instances of the former, while inter-group ethnic relations, sometimes peaceful sometimes not, are often patterned but unstructured and implicit (Fearon and Laitin 1996).

Structured Institutions. Probably the single biggest success of the rational choice institutionalism program is the analysis of structured institutions. There are several factors that facilitate rigorous analysis and thus account for this success.

First, politicians in these settings are selected in a relatively well-defined way – election to legislatures or party offices, appointment to courts, regulatory agencies, or higher executive posts. Politicians may thus be thought of as agents of (s)electors (Bueno de Mesquita, Smith, Siverson,

and Morrow 2003). Their activities while in office will be motivated in part by the objectives of the (s)electorate – see below.

Second, politician objectives can be specified with some precision, due in part to selection effects. In the literature these objectives are often grouped into *office preferences* and *policy preferences*.⁹ Ideal-types holding preferences of the former category care primarily (only?) about office and the perquisites that come with incumbency – salary, influence, control of staff, generalized prestige. More recent work, under the rubric of *career concerns*, places special emphasis on selection effects.¹⁰ The policy preferences ideal-type cares about policy outcomes. In the spirit of Downs (1957), office-oriented politicians make policy in order to win elections whereas policy-oriented politicians win elections in order to make policy.¹¹

Third, politician behavioral repertoires are delineated by institutional rules and processes. A legislator on the floor of the chamber, for example, may seek recognition from the presiding officer or not. If he does, he may offer a substantive motion, a second to a motion, an amendment to an existing motion, a procedural motion (to table, to recommit, to adjourn, etc.), a point of order or information, and so on – some of which are permitted by the rules (“in order”) and some of which are not (“out of order”). If a vote is called, he may vote yea, vote nay, or abstain (in whatever manner of vote expression is required). That is, the “legislation game” may be written down and the strategies available to the politicians specified.¹² In other structured institutional settings, the repertoires of judges and bureaucrats may be portrayed in clear-cut ways.

Fourth, outcomes are clearly implied by the configuration of rules in a structured institution. These rules prescribe the mechanism for aggregating behaviors into a final result. Thus, any combination of behavioral repertoires by institutional politicians maps into a specific outcome.

Fifth, payoffs may be inferred from the objective functions of politicians. Policy-oriented players will prefer the combination of behavioral repertoires that map into more desirable

outcomes. Office-motivated politicians will prefer those repertoire combinations that improve their prospects with their (s)electorate. If the selection mechanism chooses politicians with policy preferences closely aligned to those of their (s)electorate, then we may not be able to distinguish between the two preference types empirically. The strategic choices of office types and policy types will be observationally equivalent.

Finally, there is the matter of (s)electorate preferences. The (s)electorate is the collective principal that chooses an institutional politician to act as its agent. With their preferences in hand, we complete the circle. (S)electorates are vulnerable to two kinds of “agency problems” – *adverse selection* and *moral hazard*. The first problem is associated with hidden information – characteristics of the prospective agent that cannot be known in advance by the principal. Is the politician of “high quality”? Does he or she share policy preferences with the (s)electorate? The second problem is associated with hidden action – strategic agent behavior that may not be discernible by the principal. Does the politician support the preferences of the (s)electorate in arenas where his or her behavior cannot be directly observed (an unrecorded vote, a secret committee meeting or party caucus, a meeting with a lobbyist)? The connection between (s)electorate and politician entails some form of *delegation* from principal to agent and is characterized by more or less *accountability* by the agent to the wishes of the principal. The rational choice literature on each of these facets of institutions is vast.¹³

Unstructured Institutions. The Archimedian lever of rational choice institutionalism is provided by the *structure* of structured institutions. This structure embeds the logic of optimization in a strategic context. The context of unstructured institutions is more fluid, providing a less firm foundation for analysis. Many more things are possible; many more contingencies need to be accounted for. However, considerable progress has been made.

The great success story in this region of the rational choice institutionalism program is the logic of collective action (Olson 1965). The foundational basis for this work is the analysis of

public goods, dating back to the early work of Samuelson (1954). Collective action for a group is a public good, an outcome desired by its members but difficult to elicit costly contributions for its production. Members, according to this logic, are attracted to the *free riding* option since non-contribution is a dominant strategy in the collective action game. Mancur Olson took this insight and demolished prevailing pluralist and Marxist views on groups by arguing that they will not of necessity form around common interests and objectives (as these more sociological arguments had taken for granted) precisely because of the logic of free riding. Individual contributions are both personally costly and often only trivially important in achieving a group goal, especially in large groups. So individuals are tempted to abstain from contributing. This temptation is reinforced by the realization that everyone else will be tempted to free ride.

Groups do form and not everyone free rides all the time. Why? Answering this question has constituted something of a light industry. Olson argued that since success in inducing an individual to contribute does not come from the prospect of realizing group objectives (which will be enjoyed if the group succeeds whether she contributes or not, and whose contribution is negligible in any event), then it must come from some other source. Groups must be able to offer things of value to contributors *and only to contributors* – selective benefits, not collective benefits. The group objective is financed, therefore, as a *by-product* of bribing individuals to contribute with private compensation.

One of the earliest responses to Olson's classic was a book review by Wagner (1966). There he pointed out a glaring omission in the by-product logic of Olson's theory of collective action – namely, the role of leadership. (Also see Frohlich, Oppenheimer, and Young 1971.) Wagner suggested that even Olson's by-product logic must have some source of implementation. Inventing the term *political entrepreneur*, he argued that particular individuals may make unusually large contributions of time and energy and financial and especially logistical resources not (only) because they care passionately about the group's objective but (also) because they see

an opportunity to parlay this investment into something personally (read: selectively) rewarding. It is no surprise, for example, when a congressman from south Florida (home to many retirees) provides political leadership on issues benefiting the elderly – the electoral connection supplies the explanation (whether the congressman is personally passionate about these issues or not). Likewise, it is surely not entirely explained by “generosity of spirit” when a young lawyer takes on a cause – say, the lead-poisoning of inner city infants – even though there may be no immediate remuneration. Applying the career-concerns logic just suggested about the congressman, this political entrepreneur takes leadership of an issue in order to advance a personal agenda (of which finding a solution to the issue at hand may be part, but only part), possibly parlaying his public spirit into a political career, a network of contacts, future remuneration for his legal practice, etc. The leadership explanation is not entirely compelling in all settings. But it invites us to scrutinize some of the less obvious motives of those who assume the mantle of leadership. (On the rational choice analysis of leadership more generally, see Fiorina and Shepsle 1989, and Shepsle and Bonchek 1997: chapter 14.)

A feature of all collective action from a purely rational perspective is that outcomes are not Pareto optimal. Everyone would be better off if there were some way to coerce contributions. Selective benefits and political entrepreneurs are two of the most important contributions of rational choice institutionalism to an appreciation of solutions to collective action phenomena. Leadership, in fact, may be interpreted as giving some agent the authority to wield carrots and sticks – that is, provide selective incentives – to induce contributions to group objectives and thus move the collectivity onto the Pareto surface. (Indeed, this is a rough approximation of arguments made centuries ago by Hobbes and Hume to justify the existence of the State. Generally, see Buchanan and Tullock 1962, Hardin 1982, and Sandler 1992.)

A third “solution” to the problem of collective action is best understood in the problem writ small – the problem of *cooperation*. Axelrod (1984) paved the way to understanding how to get

individuals to seize a cooperation dividend, rather than leaving it on the table, by examining repeated prisoners'-dilemma (PD) situations.¹⁴ In the PD an individual can cooperate with another and capture a benefit, exploit the cooperative inclinations of the other by non-cooperating and do even better while the other suffers a loss, or join his opposite number in non-cooperation and get nothing. A dominant strategy in the one-shot PD is for both individuals not to cooperate, producing a zero payoff and something left on the table. (What is left on the table is a positive payoff had both cooperated.) The idea exploited by Axelrod, and I count this as the third important solution to collective action problems (along with selective benefits and leadership), is *repeat play*. Axelrod noticed what game theorists had discovered even earlier – that repeat play allows for “history-contingent” strategies. Thus, in the play of a PD game at any time *t*, each player may take into account the way the game was played in earlier periods, and make his or her behavior in the current interaction contingent on previous play. Today’s play, therefore, determines not only today’s payoff but will influence the behavioral choices of others tomorrow. This may, depending upon how much the players value tomorrow’s payoff relative to today’s, induce them to eschew their dominant strategies in the one-shot play of the PD and choose to cooperate instead. Indeed, unlike leadership and selective benefit solutions to collective action, repeat play is more like an *invisible hand*.

I have oversimplified this discussion, but it allows me to observe that history-dependent behaviors in equilibrium – “tit for tat,” “take turns,” “split the difference” – come very close to the ordinary-language meaning of norms and conventions.¹⁵ The program of rational choice institutionalism thus provides analytical handles on the collective action problem writ large and writ small.

3. Conclusion: “Limitations” of Rational Choice Institutionalism

The research program of rational choice institutionalism is founded on abstraction, simplification, analytical rigor, and an insistence on clean lines of analysis from basic axioms to

analytical propositions to empirical implications. Much of the research in this program actually practices what it preaches! Self-conscious and self-imposed limits are an inherent part of the program so that conclusions can be stated in the confidence that they can be traced back to their progenitors. For some (Green and Shapiro 1994) this is a fatal weakness. Limits, after all, are *limiting*.

In another sense, however, they are liberating – hence the quotation marks in the title of this concluding section. The measured relaxation of limitations is the way forward both to generalize what we already know from limited contexts and to expand the intellectual coverage of the program. Through this process the rational institutionalism program has been engaged, almost since its beginnings, in a conscious blurring of distinctions. Perhaps the most obvious of these is *bounded rationality* (Simon, 1957, 1969; Cyert and March 1963). A second is the rise of *behavioral economics* and the experimental methodology closely associated with it. A third is *transaction costs economics*. And a fourth is *analytical narratives*. I treat each of these briefly.

Bounded Rationality. Initiated in the early work of Herbert Simon, though also associated closely with the work of the social psychologist Sidney Siegel, bounded rationality takes the perspective that being rational is costly on the one hand, and is constrained by cognitive limitations on the other.¹⁶ Consequently, real human beings, in contrast to automatons, are only approximately rational. Their behavior reveals levels of aspiration, rules of thumb, standing decisions, stopping rules, and satisficing. At times boundedly rational behavior can be shown to be identical to canonical rational behavior under uncertainty and costly decision making, so it is not a radical departure from the canonical program. But it has loosened the strictures and thus paved the way for a second, more recent development.

Behavioral Economics. This branch of rational choice examines what happens in markets and firms when individual agents are cognitively constrained. Perhaps the most influential work in this area was stimulated by the ground-breaking research of two psychologists, Daniel

Kahneman and Amos Tversky (1979, 1981). The emphasis here is on rationality qualified by psychological limitations – loss aversion, framing effects, hyperbolic discounting. This work is only just finding its way into the rational institutionalist research program, but again is an illustration of how the bright line between canonical rationality and psychological reality is fading.¹⁷

Transaction-cost Economics. This work has its origins in the seminal contributions of Ronald Coase (1937, 1960) and applications of his ideas (along with those of students of bounded rationality) by Oliver Williamson (1985). In this work the fundamental unit of analysis is the transaction and the fundamental institution of transactions is the contract. Emphasis is focused on the costliness of searching for transaction partners, drafting agreements, anticipating contingencies of relevance to the agreement, devising mechanisms to interpret agreements in novel circumstances, policing and enforcing compliance, and dealing with transgressions. Exchange, in short, is neither automatic nor cost-free. It requires institutions of governance. The economic institutions of capitalism, to use Williamson's phrase, are in effect *political*. Running a firm is governing a firm. Implementing a contract requires a framework of governance. The structure of a firm provides a framework for "private politics." And economic exchange, properly understood, is political to its core. Economics segues into politics. This is no more apparent than in Weingast and Marshall's (1988) transaction-cost analysis of the organization of legislatures.

Analytical Narratives. A final blurring of distinctions attacks the line between rational choice institutionalism and historical institutionalism. Separately and collectively, Robert Bates, Avner Greif, Margaret Levi, Jean-Laurent Rosenthal, and Barry Weingast, have developed the analytical narrative as a case-oriented methodology for studying institutional development in historical context (Bates et. al. 1998). The object of analysis is an historical case – economic growth in medieval Italian city-states, conscription, the institutional origins of the American civil

war, the coffee cartel in Latin America, the historical evolution of European absolutist regimes. What distinguishes this approach from mainstream historical institutionalism is the use of analytical models – a spatial representation, a game form, an optimization set-up – as a framework in which to embed the case. An analytical narrative *is* a case study but there is an underlying model that motivates analysis and frames the empirical materials.

Rational choice institutionalism began as pure theft, lifting analytical tools from mathematics, operations research, and economics. In its focus on institutions in politics, economics, and society, it developed boundaries, a canon, and an identity. Some of this has been surveyed in this chapter. The program has prospered but is not without its critics. Many have felt, almost from the outset as the quotation from Clark that introduces this essay suggests, that the assumption of rationality is too demanding; developments in bounded rationality and behavioral economics are responding to this. Some believed that even canonically rational actors would have trouble in the world of politics living up to the expectations of the invisible-hand standards of market exchange; explorations of transaction-cost phenomena attempt to deal with some of these frictions. Still others emphasized the ahistorical quality of rational choice institutionalism; history-dependent and contextualized aspects are now a part of game theory, and rich historical cases are now examined in a rigorously analytical fashion.

In defense of the early program in rational choice institutionalism, it must be acknowledged that a paradigm, as Kuhn (1970) reminded us, develops protective boundaries in order to permit normal science to progress. Rational choice institutionalists were no exception, differentiating their product and pushing its paradigmatic assumptions as far as they could. Eventually, however, some of the criticism is constructive, it begins to attract attention, the boundaries weaken, and practitioners seek ways to accommodate what they had formerly rejected. I believe this is the current state of the program in rational choice institutionalism. It is

increasingly responsive, not imperialistic, and the distinctions between it and its institutionalist cousins are beginning to weaken.¹⁸

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Footnotes

* This chapter benefited from the constructive comments of volume editors Sarah Binder, Rod Rhodes, and Bert Rockman, and series editor Bob Goodin.

¹ Rational choice institutionalism is a large topic and not one easily summarized in a brief essay. So the interested reader should avail him- or herself of other surveys that complement the present one. Weingast (1996, 2002) and Shepsle (2005) cover some of the recent political science literature. Accessible textbooks on rational choice political analysis include Hinich and Munger (1997), Laver (1997), and Shepsle and Boncheck (1997). A comprehensive review of the public choice literature in economics and political science is found in Mueller (2003). Systematic coverage of the work of political economics in a comparative framework is presented in Persson and Tabellini (2000). An intelligent methodological perspective is offered in Diermeier and Krehbiel (2003). And finally, the gold standard for positive political theory is the two-volume treatise by Austen-Smith and Banks (1999, 2005).

² An early formulation of institutions as exogenous constraints is found in Shepsle (1979), and elaborated further in North (1990). A critique of this formulation is found in Riker (1980). Schotter (1981) and Calvert (1995) develop the endogenous interpretation of institutions. Distinctions between exogenous and endogenous institutions is presented in Shepsle (1986,

2005). Weingast (2002) organizes his outstanding review of rational choice institutionalism around this distinction as well. For alternative frameworks, an excellent source is Crawford and Ostrom (1995) and Ostrom (2005).

³ A *Nash Equilibrium* is a set of strategies, one for each player, with the property that no player can improve her position by changing to some other strategy (assuming other players stick to their initial strategies).

⁴ If there is a cost to voting, then indifferent voters abstain. If voting is costless then indifferent voters randomize their choice (or abstain). In either case the expectation is a tie between the candidates which is broken randomly.

⁵ Powerful agents need not be myopic, of course. Thus, they may forego an immediate gain for long-run reasons. Institutions, as a consequence, often have a persistence even in the face of potential windfalls for powerful agents.

⁶ March and Olson (1984) were also struck by Sait's coral-reef metaphor.

⁷ In Shepsle (2005) I examine the various endogenous mechanisms by which institutions may be changed, including amendment procedures, interpretive courts, escape clauses, nullification, suspension of the rules, and emergency powers.

⁸ Each of these examples illustrates that unstructured institutional practices may exist in structured institutions, often constituting their sociological underbelly.

⁹ In the context of the multi-party politics of Western Europe, the issue of politician objective functions is taken up in Müller and Strøm (1999). Also see Calvert (1985) and Wittman (1973).

¹⁰ Holmstrom (1979, 1982) is the exemplar of this genre. A good survey is found in Dewatripont, Jewitt, and Tirole (1999). Recent work by Ashworth and Bueno de Mesquita (2004) applies the career-concerns logic to legislative politicians.

¹¹ Some revision is required to take account of the fact that ambition, whether for policy influence or office enjoyment, need not be static. Progressively ambitious politicians, for instance,

continuously monitor their environment for opportunities to seek higher office (Schlesinger, 1966). These comments pertain to judges and bureaucrats, too, though with some amendment since the terms of tenure and career advancement differ from those of legislators.

¹² The strategies can be quite sophisticated, subtle, even arcane. For example, because a motion to “reconsider” may only be offered by someone on the *winning* side of a vote, a legislator who wishes to see a bill ultimately defeated (or its supporters visibly embarrassed) may support a bill against her preferences at one stage to position herself to force a second vote.

¹³ On accountability, the *loci classicus* are Barro (1972), Ferejohn (1986, 1999), Austen-Smith and Banks (1989), Banks and Sunduram (1993), and Fearon (1999). On delegation, Kiewiet and McCubbins (1991) and Epstein and O’Halloran (1999) provide a guide to research with special emphasis on the American system.

¹⁴ Even earlier, Hardin (1971) noted the connection between Olson’s collective action problem and an n-person version of the PD. Also see Taylor (1976).

¹⁵ Other types of two-person repeated interactions capture different kinds of norms. Equilibrium behavior in repeated play of the “Battle of the Sexes” game made famous by Luce and Raiffa (1954), for example, may be identified with coordination norms like “drive on the right and pass on the left (unless you live in Great Britain).”

¹⁶ A recent elaboration of this approach that brings attention to the relevance of the work of modern cognitive science for democratic theory is Lupia and McCubbins (1998). A broad interpretive essay on this same subject by Goodin (2000a) is well worth consulting.

¹⁷ Stimulating explorations of the Kahneman-Tversky approach for political phenomena, including public opinion and citizen competence, are found in Druckman (2001, 2004).

¹⁸ For interesting suggestions on the shape an emerging synthesis might take, see Goodin (2000b).